



# **TRICARE MANAGEMENT ACTIVITY**



## **CONTRACT OPERATIONS DIVISION (COD)**

### **Government Purchase Card Training**



# Government Purchase Card Coordinators



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# Course Requirement



- This course will fulfill the micro-purchase requirements for Cardholders (CHs), Billing Officials (BOs), Alternate Billing Officials (ABOs), and anyone requiring Government Purchase Card (GPC) Training and Refresher courses.
- DoD mandates all CHs and BOs complete the DAU on-line training.
- DoD requires offices that issue Government Purchase Cards to provide local training to augment the on-line training.



# Course Objectives



- Program Manager Code
- Key Personnel
- Procurement Ethics
- Introduction
- Thresholds
- Training Requirements
- Establishing & Maintaining Account
- Key Personnel Responsibilities
- Making a Purchase
- Payment Process Cycle Date
- Authorized Purchases
- Restricted/Unauthorized Purchases
- Printing Services
- Purchases Requiring Coordination
- Stolen or Lost Cards
- Fraud or Abuse
- Account Rejection
- Rebates
- Departure of Employee
- File Documentation, Maintenance and Retention
- Surveillance
- Lost or Stolen Card
- Liabilities and Penalties
- Rebates
- Final Thought
- Questions



# Program Manager Code



- PROFESSIONALISM
- RESPECT
- COURTESY
- As the GPC Program Manager, I am responsible for overseeing, ensuring and maintaining the GPC Program IAW DoD Regulations, Policy, Guidance, Process and Procedures.
- Just as I am accountable for my duties and responsibilities, everyone under the TMA/COD GPC Program is also accountable for their duties and responsibilities as a BO Supervisor, BO and CH.
- Waivers, Exemptions, Special Requirements, etc., will be forwarded to Level II, Program Management Office (PMO).



# Program Manager Code

(continued)



- As the GPC Program Manager, I will only discuss a BO's account with that BO, a CH's account with that CH and/or it's BO.
- The BO Supervisor should discuss a BO's account with that BO prior to discussing with the Program Manager (PM).
- If a CH has purchase problems, please contact U.S. Bank for resolution first. If no resolution, submit an email to the APC detailing the situation and the APC will then contact U.S. Bank.
- All maintenance setup, changes, limit increase/decrease etc., will come from the BO, completed on the COD GPC Memorandum Set-Up request form (no verbal requests please).
- Everyone: Lets give the TMA/COD GPC Program the same Professionalism, Respect and Courtesy that was given to the Dept. of Army's, NCRCC GPC Program.



# Key Personnel



- The GPC program contains structures and designations established to provide a solid system of checks, balances and audit controls.
- There is a six-level reporting hierarchy, which is outlined below:
  - Level I DOD Program Management Office (PMO)
  - Level II Component PMO
  - Level III Component PM
  - Level IV Agency Program Coordinator (APC)
  - Level V Billing Official
  - Level VI Cardholders/Check holders
- CHs, BOs, Resource Managers (RMs), Defense Finance and Accounting Service (DFAS), and Property Book Officer (PBO)/Equipment Account Custodian (EAC) are all responsible for the success of the GPC program.



# Procurement Ethics



- Employees of the Government hold a public trust and their conduct must meet the highest ethical standards.
- The Purchase Card Program is dependent upon the “GOOD FAITH” effort of everyone participating in the program.
- Joint Ethics Regulation, DoD 5500.7R.
- Standards of Conduct for Employees of the Executive Branch, Joint Ethics Regulation (JER) (Code of Federal Regulation Part 2635).



# Introduction



- ✓ FAR Part 13.2, Actions at or Below the Micro-Purchase Threshold (\$3,000.00).
- ✓ Preferred method to purchase and pay for micro-purchases.



# Introduction

(continued)



- Advantages of using the Purchase Card:
  - Reduces acquisition cost;
  - Improves support to customers;
  - Agencies can buy goods and services quickly in order to support their mission;
  - Vendors willing to deal with the Government due to timely payments;
  - Provides for better financial and cash management controls;
  - No inventory and storage cost;
  - Government makes one payment to the bank instead of multiple checks being issued; and
  - DOES NOT AFFECT YOUR CREDIT HISTORY.



# Thresholds



- Micro-purchases:
  - Purchases that are \$3,000.00 and less
- Micro-purchase limits:
  - Supplies - \$3,000.00
  - Services - \$2,500.00 (where Service Contract Act applies)
  - Services - \$3,000.00 (where Service Contract Act DOES NOT apply)
  - Training - \$3,000.00 (Supported by SF 182)
  - Convenience Checks - \$3,000.00
  - Construction - \$2,000.00
  - Payments against an existing contract (total payments cannot exceed \$3,000.00 for one year) **NO EXCEPTIONS**



# Thresholds

(continued)

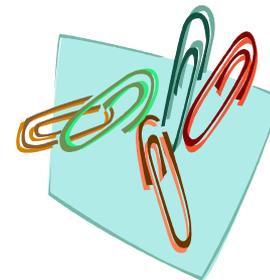
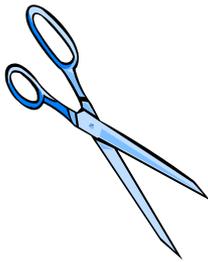


- **SUPPLIES/EQUIPMENT:**

- All property (except land or interest in land)
- Tangible items (desk, chair, paper, pencils, etc.)
- Subscriptions (in organization name/address & in support of the mission)
- Miscellaneous maintenance requirements



**LIMIT IS \$3,000**





# Thresholds

(continued)



- SERVICES:
  - Contractor performing an identifiable task/duty then furnishing an item of supply.



**Limit: Depends if Service Contract applies**





# Thresholds

(continued)



- Service Contract Act (SCA) Exemptions:
  - Training supported by a SF 182;
  - Maintenance, calibration and/or repair of:
    - ADP equipment/word processing systems
      - NOTE: For purposes of this exemption, “ADP equipment” includes, computers, ancillary equipment; software, firmware and similar procedures; services including support services and related resources (NOT CURRENTLY UNDER AN EXISTING GOVERNMENT CONTRACT).
  - Scientific equipment; and
  - Installation (NOT CURRENTLY UNDER AN EXISTING GOVERNMENT CONTRACT).

**Limit is \$2,500**



# Thresholds

(continued)



- Services not exempt from the SCA:
  - Limit is \$2,500.00**
  - For clarification on SCA exemption, contact COD prior to purchase.
  - Thresholds are set by STATUTE & MUST NOT BE EXCEEDED.



# Training



- Defense Acquisition University (DAU) On-Line
- Purchase Card On-Line System (PCOLS)
- COD Basic GPC
- Access On-Line (AXOL)
- Ethics
- Refresher Training





# Training

(continued)



- Training required for Set-Up:
  - DAU CLG 001, DoD Government Purchase Card Training
  - Ethics
  - DAU CLG 005, PCOLS
  - **\*\*IF YOUR CLG 001 IS DATED 2004, ETC. YOU NEED TO PROVIDE REFRESHER TRAINING CERTIFICATES FOR 2005, 2006, 2007, 2008, 2009 and 2010\*\***
- Brand New BO, CH:
  - The Above training and U.S. Bank Web Base Training
- PCOLS:
  - BO Supervisor and CH Supervisor
  - DAU CLG 005, PCOLS
  - Ethics



# Training

(continued)



- DAU TRAINING – [www.dau.mil](http://www.dau.mil)
  - MANDATORY for Account setup of BO, ABO and CH:
    - CLG001 DoD Government Purchase Card
    - CLM003 Ethics (TMAs required Ethics training will suffice; please provide certificate)
    - CLG005 Purchase Card Online System (PCOLS)
      - Mandatory for BO, CH Supervisor and RM



# Training

(continued)



- PCOLS – Purchase Card Online System:
  - Used by GPC participants to improve the management and accountability of the GPC program.
  - Comprised of 4 components: EMMA, AIM, Data Mining and Risk Assessment.
  - Need CAC to login.
  - It will NOT replace AXOL or CitiDirect; they both will remain in place.
    - PCOLS will be used in addition to AXOL and CitiDirect.
  - PCOLS WILL NOT duplicate work done to review and approve transactions.
  - Used to migrate the manual administrative processes in the purchase card arena into an electronic equivalent.



# Training

(continued)



- EMMA – Enterprise Monitoring & Management of Accounts:
  - Used to electronically capture the GPC organization hierarchy and assign persons into defined roles in a process known as “provisioning”.
  - Begins at the very top of the purchase card program hierarchy and extends all the way down to the CH’s Supervisor and RM Pool.
- AIM – Authorization Issuance & Maintenance:
  - Identifies and assigns responsibilities to supervisory roles who may not directly engage in the GPC program (A/OPC Supervisor, A/BO supervisor and CH Supervisor).
  - This is to meet internal management control requirements mandated by Congress and GAO, as directed in Management Initiative Decision (MID) 904.



# Training

(continued)



- DATA MINING:
  - Surveillance of Purchase Card Programs.
  - The process of sorting through large amounts of data and picking out relevant information related to misuse and fraudulent activities with the GPC.
  - It analyzes data from many different dimensions or angles, categorizes it, and summarizes the relationships identified.



# Training

(continued)



- RISK ASSESSMENT (RA):
  - A means of providing decision-makers and purchase card officials with information needed to understand factors that can negatively influence operations and outcomes.
  - PCOLS RA program has been designed to draw on the large amounts of data to determine risk factors and automatically analyze and report the findings.



# Training

(continued)



- COD GPC TRAINING:
  - Basic GPC Training.
  - Advanced GPC Training (\$25K, purchase above micro-purchase).
  - Ethics (You can use your annual TMA Ethics training or complete DAU's CLM003 Ethics course).
  - Mandatory for BO, ABO and CH.



# Training

(continued)



- ACCESS ONLINE WBT:
  - Website: <https://wbt.access.usbank.com/>
  - Logon, “Lesson and Certification Logon” (if you do not have a password, you will need to register a new account).
  - Enter your email, password and the WBT password (will be provided in orientation training, for each role; CH, AO/BO, APC).
  - Choose appropriate password for your role.
  - Checkmarks should appear in the appropriate training required for your role.
  - Complete training, print certificate, forward copy with your package request and retain copy for your records.



# Training

(continued)



- ETHICS:
  - Annual training required.
  - Ethics Training provided by your Agency is acceptable training for GPC (Provide copy of your certificate with package).
  - DAU Training, CLM003, Ethics Training for Acquisition Technology and Logistics ([www.dau.mil](http://www.dau.mil)).



# Training

(continued)



- REFRESHER TRAINING:
  - Required Annually.
  - DAU Website, CLG004, GPC Refresher Training.
  - COD Basic GPC Training.
  - Can alternate CLG004 and Basic GPC Training.
  - \$25K, COD Advanced Training Required Annually (as refresher also, alternating with CLG004 Purchase Card Refresher Training).



# Training

(continued)



- **FILE MAINTENANCE AND RETENTION:**
  - Certificates are maintained for 6 years and 3 months to show verification of training for review purposes.
  - CH should maintain a copy of their training certificates.
  - ABO should maintain a copy of their CHs and their own (ABO) training certificates.
  - BO should maintain a copy of their CHs, ABOs and their own (BO) training certificates.



# Establishing and Maintaining Accounts



- COMPLETE MANDATORY TRAINING:
  - DAU Course CLG 001, DoD Government Purchase Card
  - ETHICS, DAU CLG004, Ethics Training for Acquisition Technology & Logistics (or your Agency's Ethics training)
  - COD Basic GPC Training
  - PCOLS
  - ACCESS Online WBT
- Complete nomination letter/memorandum:
  - NEW accounts – nomination memorandum signed by BO supervisor (completely filled out), including spending limits and proof of training.
  - Existing accounts – signed by BO (completely filled out), including spending limits and proof of training.
- Any documents missing from the package, the account will not be created.



# Establishing and Maintaining Accounts (continued)



- PURCHASE LIMITS (Memorandum must identify):
  - Single purchase limits – WILL NOT EXCEED \$3,000.
  - Monthly purchase limits – maximum monthly limit for cumulative purchases.
  - Set limits based on:
    - Individual CH's organizational needs
    - Past spending patterns (if known)
    - Expected usage
    - Availability of funds
  - Review and update at least annually.



# Establishing and Maintaining Accounts

(continued)



- Memorandum must identify:
  - BO's monthly/cycle office limit for all CH's in that account.
  - CH's monthly limit multiplied by each CH.
  - BO's maximum credit limit.
  - CH's monthly limit multiplied by 12 months, times each CH.



# Establishing and Maintaining Accounts (continued)



- Nomination Package (memorandum and certificates) Submitted To:
  - [gsasmartpay@tma.osd.mil](mailto:gsasmartpay@tma.osd.mil)
  - Processing time is 2-3 days
  - Card delivery 10-14 days - Cards will be delivered to address on nomination letter (include complete address, Sky #, Suite/Room #)
- COD will prepare/issue Letter of Delegation to CHs for their review, signature and return (original signature). Retain a copy for your file and records.
- BO Appointment Packages:
  - COD will prepare/issue Appointment Packages to BOs for their review, signature and return (original signature).
  - DD 577, is to be signed in BLUE ink (for originality) and forward original to the address stated in the Appointment Letter.
  - Maintain a copy of your DD 577 and forward a copy (with acknowledgement statement, with original signature) to COD.



# Key Personnel Responsibilities



- **SEPARATION OF DUTIES:**
  - No individual performs more than one key function of the purchase card program.
  - CH – makes purchase.
  - Check writer – is also a CH - makes purchase.
  - BO – authorizes purchases and payments.
  - ABO – acts only in the absence of the BO.
  - RM – certification of funding.
  - Agency Organization Program Coordinator (A/OPC) – reviewing and auditing functions.
  - Property Book Officer – property accountability.
  - U.S. Bank – Purchase Cards Financial Institution.



# Key Personnel Responsibilities (continued)



- **CARDHOLDER:**
  - Complete training, know policy and procedures.
  - Delegated in writing. You cannot re-delegate purchasing authority.
  - CH is responsible for the safety and security of their purchase card.
  - Activate and endorse card at once.
  - Safeguard card at all times to prevent unauthorized usage.
  - NEVER allow anyone to use your card.
  - Responsible for using the card ethically.
  - “Legal Agent” and legally responsible/accountable for each transaction.
  - Personally liable for total dollar amount of any unauthorized purchases.
  - Ensure funds are available.
  - Obtain Pre-Approval (in writing) from BO before purchase.



# Key Personnel Responsibilities (continued)



- **CARDHOLDER (cont):**
  - Make sure it is an Authorized purchase.
  - If purchase requires coordination (IT, hazardous, etc.) obtain that coordination **BEFORE** BO approval and purchase.
  - Don't exceed your purchase limit (single or monthly).
  - Use mandatory sources for purchases.
  - Rotate purchases equally between companies who supply similar and like goods and services (never use the same company twice).
  - Determine if items purchased are accountable property and/or pilferable. Notify PBO when purchases are made of nonexpendable items.
  - Ensure all transactions are placed on your transaction log sheet.
  - Don't make split purchases.
  - Match Orders in AXOL.
  - CH is subject to administrative and/or disciplinary action for unauthorized use of the card.



# Key Personnel

## Responsibilities (continued)



- **CARDHOLDER (CHECK WRITER):**
  - All duties assigned under CH.
  - Checks issued to purchase card accounts based on need and good standing with U.S. Bank.
  - Safeguard checks in safe/locked container.
  - Make every effort to use the GPC prior to issuing a check (checks used only when the purchase card is not accepted by the vendor).
  - Issue check up to the single purchase limit - same purchase limits and other restrictions for purchase cards apply to convenience checks.
  - Enter check transactions into AXOL. Ensure program fee (1.7%) of the face value of the check.
  - Obtain access to 1099-MISC Tax Reporting System. Enter all checks and payments (NLT 31 Dec of each year).
  - Retain copies of ALL voided checks and carbon copy of the check as part of the documentation for your records.
  - Check accounts reviewed quarterly.



# Key Personnel

## Responsibilities (continued)



- **BILLING OFFICIAL:**
  - Is nominated by their supervisor and delegated in writing by the GPC Program Manager.
  - Acts as the Certifying/Approving Official for their statement.
  - May supervise/responsible for no more than seven (7) CHs.
  - Submit nominations for CH set-up, maintenance, single and cycle limits.
  - Monitors/submit changes to CH accounts, such as cancellations, realignments, limits, and account closure.
  - Notify APC of Separation or transfer of CH.



# Key Personnel Responsibilities (continued)



- **BILLING OFFICIAL (cont):**
  - Review all transactions and statement of accounts with supporting documentation.
  - Ensure items that are accountable property are on the property book.
  - Review CH purchases in AXOL and final approve orders.
  - Certify monthly statements **REGARDLESS** of whether or not transactions have been made (**PAY AND CONFIRM**), timely to maximize rebates.
  - Certify the monthly statement by 5<sup>th</sup> working day (after close of cycle).
  - **CYCLE DATE: 19<sup>th</sup> of EVERY MONTH.**



# Key Personnel

## Responsibilities (continued)



- **BILLING OFFICIAL (cont):**
  - Organize records for easy access and review.
  - Retain original invoices and records of accounts for 6 years and 3 months.
- **BILLING OFFICIAL - Span of Control:**
  - 7 CHs to 1 BO (maximum)
  - Consider
    - Number of transactions to review
    - Complexity of transactions
    - Other duties assigned (you and the CHs)
- **BILLING OFFICIALS CAN GO TO JAIL FIRST, FOLLOWED BY THE CARDHOLDER.**



# Key Personnel Responsibilities (continued)



- **ALTERNATE BILLING OFFICIAL:**
  - BO must have a ABO assigned for contingency.
  - Acts only in the absence of the BO.
  - Duties same as the primary BO.
  - Will be nominated, delegated and assigned own password for AXOL to the same managing account as the primary BO.
  - Shall not assume the role of BO for more than 45 days.



# Key Personnel

## Responsibilities (continued)



- **RESOURCE MANAGER:**
  - Oversees funding management, funds control and funds certification for GPC Program.
  - Reviews/approves nomination request letter (funding, BO and CH single, monthly and cycle limits are acceptable).
  - Assign line of accounting (LOA) to nomination request letter. Return to APC for Delegation letter preparation.
  - Reserves funds prior to the card being used.
  - Loads financial information into the AXOL system, prior to the issuance of a card.
  - Provide accounting support and guidance for purchases.
  - Ensure obligation document is forwarded to the appropriate payment office (DFAS).



# Key Personnel

## Responsibilities (continued)



- **AGENCY PROGRAM COORDINATOR:**
  - Implement, oversee, perform oversight and administer the GPC Program.
  - Liaison with GSA, U.S. Bank, CHs and BOs.
  - Prepares and distributes policy and guidance.
  - Develop and conduct training (and refresher) for all program participants.
  - Issue Delegation of Authority and Appointment Letters to BO and CH.
  - Receives and processes ALL GPC requests.
  - Conduct compliance reviews ANNUALLY each fiscal year.



# Key Personnel Responsibilities (continued)



- **PROCUREMENT OFFICE (GPC Program Manager):**
  - Issue Delegation of Authority and Appointment Letters.
  - Maintain liaison with GSA, U.S. Bank, BOs and CHs.
  - Receives and processes account set-up, maintenance and cancellation requests.
  - Develop and conduct training for all program participants.
  - Prepares and distributes policy and guidance.
  - Performs oversight.



# Key Personnel Responsibilities (continued)



- **PROPERTY BOOK OFFICER:**
  - Responsible for monitoring purchases of nonexpendable items and ensuring inventory accountability is being performed.
  - All non-expendable property exceeding \$5,000 must be logged into property books.
  - TMA/COD does not have a PBO. In the interim, it is the responsibility of the BO and CH to ensure accountability of accountable items purchased.



# Key Personnel Responsibilities (continued)



- U.S. BANK:
  - Financial institution for GP Cards.
  - Produces and distributes CH and BO statements.
  - Issues rebates.
  - Issues cards and checks (fee of 1.7% per check).
  - Open 24 hours a day, 7 days a week:
    - 1-888-994-6722 (customer service)



# Making a Purchase



- STEP 1 - Establish Necessary Expense (legitimate Government need):
  - COD Pre-Approval Form.
  - BO Approval signature – Email approval acceptable (as long as item is stated on email and signature is encrypted).
  - Obtain any special approvals/waivers BEFORE BO signature.
  - Lawful, legitimate, bonafide Government need at fair/reasonable price.



# Making a Purchase

(continued)



- **STEP 2 - Order Placement**
  - **Actions to perform when placing order:**
    - Identify yourself as a Government Employee
    - Verify Funding Available, Update Purchase Log
    - Screen for Mandatory Sources, Identify Small Business
    - Promote competition, rotate vendors, avoid split purchases
    - Ask the question, “Are the supplies available”
    - Any Government discounts
    - Delivery information (Name, complete address, phone number, POC)
    - Return/Exchange Policy
    - **TOTAL PRICE, INCLUDING SHIPPING CHARGES**



# Making a Purchase (continued) Mandatory Sources (Supplies)



- FAR Part 8.002
  - Agency Inventories
  - Excess from Other Agencies
  - UNICOR (FPI)
  - Ability One
  - Wholesale Supply Sources (DOD MALL, GSA advantage)
  - Open Market



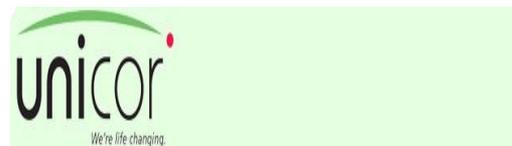
# Making a Purchase (continued)

## Mandatory Sources



- Mandatory Sources (supplies):
  - Activity/Installation Inventories
  - Excess from other Agencies
  - UNICOR/FPI (Federal Prison Industries) [www.unicor.gov](http://www.unicor.gov)
  - Ability One (previous JWOD, NIB/NISH)  
[www.abilityone.gov/jwod/index.html](http://www.abilityone.gov/jwod/index.html)
  - Wholesale Supply Sources (DLA, GSA) [www.dod-email.dla.mil](http://www.dod-email.dla.mil)  
[www.gsaadvantage.gov](http://www.gsaadvantage.gov)
  - Open Market

- Websites:
  - Administration Office, Sky 5, Ste 564
  - Virginia Industry for the Blind Store



**1st Choice Support for the Warfighter**  
(Federal Buyers Welcome Too!)





# Making a Purchase Mandatory Sources (continued)



- SERVICES:
  - Ability One
  - FSS/GSA
  - FPI (UNICOR)
  - DAPS (Printing)



# Making a Purchase (continued)

## Section 508



- Electronic and Information Technology (E&IT) equipment must allow Federal employees with disabilities to have access to and use of the information and data that is comparable to the access and use of information and data by other Federal employees.
  - Telephone, multimedia, copiers, fax machines, computer hardware and software are examples of E&IT equipment.
- You must purchase products that comply with these requirements or document the reason for your noncompliance.
- Required for ALL purchases including micro-purchases and required for all agencies (even if your agency does not currently employ someone with a disability).
- [www.section508.gov](http://www.section508.gov).



# Making a Purchase (continued) “GREEN Purchasing Program”



- Per Executive Order 13101 and FAR Part 23.000, the Government’s policy is to acquire supplies and services that promote energy efficiency, advance the use of renewable energy products, and use recovered material.
- The Office of the Federal Environmental Executive provides additional information at:  
<http://www.ofee.gov/gp/training.html>.
- GSA Advantage, under Environmental Categories provides additional information at:  
[www.GSAAdvantage.gov](http://www.GSAAdvantage.gov).



# Making a Purchase

(continued)



- Confirmation Order from Vendor:
  - Ensure no sales tax charged, a single delivery.
  - No backordered items, clarify return policy.
  - Verify delivery address for shipping.
  - **TOTAL PRICE, INCLUDING SHIPPING CHARGES.**
- Vendor May Charge the Card:
  - Supplies = at time of order placement or after shipment.
  - Services = after performance and Government acceptance.



# Making a Purchase

(continued)



- STEP 3 - Independent Receipt and Acceptance:
  - Receive a packing slip, VISA slip, sales slip, invoice, to ensure:
    - Proof of delivery and items delivered conform to the requirement.
  - Obtain detailed invoice.
  - Screen for accountable property and notify PBO.
  - Government Acceptance: Signature by someone other than a CH (must be a Government employee).



# Making a Purchase

(continued)



- **STEP 4 - Dispute Resolution/Defective>Returns**
  - Attempt to resolve ALL discrepancies FIRST.
  - Resolve any disputes or disputed items with Vendor.
  - Unresolved dispute over 30 days, initiate the dispute in AXOL or forwarded CSQI Form to U. S. Bank.
  - Pay and Confirm on items that have been charged but not received.
  - 60 Days to dispute an item with U.S. Bank (when CH and Vendor cannot come to an agreement on the dispute, CH must approve the statement, send to the bank, prepare the SOQI. Bank will credit the account and investigate.
  - Contact APC if necessary.
  - Defective>Returns:
    - CH is responsible for returning to vendor (not APC)
    - Need a Return Authorization Number
    - Replacement
    - Credit for item



# Making a Purchase

(continued)



- **STEP 5 – Payment:**
  - CH Statement Reconciliation.
  - Billing Statement Certification within 5 days of cycle end date.
  - Bulk Funding Update.
  - Verify last Billing Statement was paid.
- **STEP 6 - Records Retention:**
  - Retain records for 6 years and 3 months.
  - Ensure records are readily accessible for review.



# Making a Purchase

(continued)



- Posting the Transaction in Access Online (AXOL)
- CH:
  - YOU MUST POST ALL YOUR TRANSACTIONS IN ORDER MANAGEMENT BEFORE YOU CAN MATCH IT AND THEN APPROVE IT.
  - You can do this after you make the buy, daily, or weekly. IT MUST BE DONE.
- BO:
  - YOU CANNOT APPROVE THE TRANSACTIONS AND DO THE FINAL APPROVAL, IF THE CH HAS NOT DONE THEIR PART.



# Access Online (AXOL)



- Web-based electronic access system that provides account payment, setup, maintenance, and reporting.
- Maximize rebates offered by U.S. Bank by paying bills online.
- Can be accessed from home, work, etc., by logging into <https://access.usbank.com>.



# Access Online (AXOL)

(continued)



- USER IDs and PASSWORDS
- CHs:
  - Register their card in the AXOL system after they receive their cards.
- BO and ABO:
  - Receive a request from their APC for verification data.
  - Verification data is provided, APC request User IDs and passwords for BO and ABO.
- Everyone is required to have his/her own password and user ID to access the system.
- BOs that provide their user ID and password to CHs or any other person in order for them to access AXOL and certify/approve an invoice on their behalf are guilty of willful negligence and will be disciplined. Anyone other than the BO who certifies an invoice in AXOL, representing himself as the BO, is guilty of a false certification of an official financial document and will be disciplined.



# Access Online (AXOL)

(continued)



- Under the False Claims Act, 31 U.S.C. 3729-3733, those who knowingly submit, or cause another person or entity to submit, false claims for payment of Government funds are liable for three times the Government's damages plus civil penalties of \$5,500 to \$11,000 per false claim. Purchase Card Accountable Officials and Purchase Card Certifying Officers have pecuniary liability for erroneous payments in accordance with DoD Directive 7000.15, "DoD Accountable Officials and Certifying Officers," and Chapter 33, "Accountable Officials and Certifying Officers," of Volume 5, DoDFMR. The amount of the pecuniary liability is determined under Chapter 33, Volume 5, DoDFMR.



# AXOL and Making a Purchase



- After Making a Purchase:
  - For accounts that are using AXOL (for accounts NOT using AXOL see the next slide)
  - Website: <https://access.usbank.com>
  - (a) The CH's order must be created in AXOL for each transaction. At a minimum, the following six (6) fields must be completed:
    - (1) Order Number
    - (2) Order Date
    - (3) Requestor Name
    - (4) Order Amount
    - (5) Merchant Name
    - (6) Miscellaneous Comments
  - (b) While not required, a copy of the BO's monthly statement or a similar report can be used to help verify that all purchase documents for each billing cycle are in file.
  - (c) The BO's certification of the monthly statement is maintained in AXOL - no printout is required.



# Making a Purchase Accounts NOT Using AXOL



- AFTER PURCHASE:
  - For accounts that are NOT using AXOL (in addition to the documentation listed in the previous slide) the following must be maintained:
    - The BO's monthly billing statement.
    - The billing statement must be date stamped upon receipt.
    - The amount of payment must be annotated on the first page in the space provided.
    - The CH's monthly billing statement.
    - A detailed purchase log, which includes a running balance of available funds.



# AXOL and Making a Purchase (continued)



## POSTING TRANSACTIONS INTO U.S. BANK (STEPS):

- AXOL
- CH
  - Create an Order
  - Match a Transaction to an Order
  - Reallocate a Transaction
  - Approving your CH Statement
  - Printing your Statement
- AXOL
- BO
  - Login & Select Transaction Management
  - Select Managing Account
  - Select Managing Account List
  - Review Managing Account Summary and Select Cycle Date
  - Select CH Names and Review Transactions
  - Approve the Transaction
  - Approve or Certify the Cycle Statement
  - Printing your Statement



# Payment Process Cycle Date



- Billing cycle ends 19<sup>TH</sup> OF EVERY MONTH (unless it falls on a Saturday, Sunday or Holiday).
- Within 5 working days after the close of the cycle, go into the system and certify all open charges:
  - **CH:** By 3<sup>rd</sup> day, approve individual transactions and then the overall statement.
  - **BO:** By 5<sup>th</sup> day, re-approve the CHs individual transactions and then the overall statement.
  - **DFAS:** By 10<sup>th</sup> day payment made.
  - **Prompt Payment Act:** By 30<sup>th</sup> day, to Vendors.
- CHs are locked out of the account 15 calendar days AFTER the end of the billing cycle, IF THEY HAVE NOT APPROVED THE STATEMENT.
- BOs may approve transactions on behalf of the CHs.



# Payment Process

## Cycle Date (continued)



- **SUSPENSION/CANCELLATION OF ACCOUNT:**
  - Any unpaid balance that is > than 30 days past due is considered delinquent.
  - Any unpaid balance that is > than 60 days past due may result in suspension of the BO account.
  - Any unpaid balance that is > than 90 days past due may result in cancellation of the BO account.
  - Any unpaid balance that is > than 180 days past due may result in ALL CHs under that billing level may be suspended.



# Authorized Purchases



- Lawful
- Legitimate Government Need
- Bona Fide Need
- Minimum Needs of the Government
- Fair and Reasonable Price



# Authorized Purchases Lawful



- 48 CFR 13.J301 (a) AND 31 U.S.C 1301(a).
- Card usage for purchases that are otherwise authorized by law or regulation.
- Lawful only if it would be lawful using conventional procurement methods.
- Appropriations shall be applied to objects for which the appropriations were made.
- Appropriations funds be used to purchase items for official purposes and may not be acquired for personal benefit of a government employee.
- Funding must be available at the time of the purchase to preclude an Anti-Deficiency Action Violation.



# Authorized Purchases Legitimate Government Need



- Legitimate Government Need.
- Necessary, fair and reasonable expense.
- Necessary expense test, the expenditure:
  - Have a logical relationship to purpose for which appropriation/fund is made available to the agency.
  - Must not be prohibited by law.
  - Must not be provided for (we are not required to use another fund or mandatory supply source).
- Government is liable for all authorized purchases.



# Authorized Purchases

## Bona Fide Need



- Bona Fide Need.
- Appropriation is available only for the needs of the current year. The balance of a fixed-term appropriation is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period.
- Does not prevent maintaining a legitimate inventory at reasonable and historical levels, the “need” being to maintain the inventory level to avoid disruption of operations.
- Problems arise when the inventory crosses the line from reasonable to excessive.



# Authorized Purchases Minimum Need



- Minimum Needs of the Government.
- Describing Government need rests with the technical experts and the requiring activity. FAR 11.002(a) requires agencies to describe Government needs in a manner designed to:
  - Promote full and open competition with regard to the nature of the supply or service to be acquired.
  - Include restrictive provisions or conditions to the extent necessary to satisfy the minimum needs of the agency or authorized by law.



# Authorized Purchases Fair and Reasonable Price



- Fair and Reasonable Price.
- Fair to both parties upon condition of quality, timeliness of performance/delivery.
- Prices affected by speed of delivery, length and extent of warranty, sellers liability limitations, quantities ordered, performance period and performance requirements.
- CH responsible for ensuring contract terms, conditions and prices are commensurate with the Government need.



# Authorized Purchases Fair and Reasonable Price (continued)



- Micro-purchases may be awarded without soliciting competitive quotation if the CO considers the price to be reasonable.
- Action to verify price reasonableness for micro-purchases need only be taken if:
  - You suspect or have information to indicate the price may not be reasonable (compare to previous price paid or personal knowledge of the supply or service).
  - Purchasing a supply or service for which no comparable pricing information is readily available (supply or service that is not the same as or is not similar to other supplies or services that have recently been purchased on a competitive basis).



# Authorized Purchases

(continued)



- Office supplies.
- Commercial training (TMA Training Account Coordinator is Sharifah Williams).
- Subscriptions, books, video tapes (subscription in the organization name not a person).
- Miscellaneous maintenance requirements.
- General repair service.
- Questionable purchases, contact COD GPC Program Manager.



# Restricted and Unauthorized Purchases



- After the Fact Buys
- Split Purchases
- Exceeding Authority
- Repetitive Purchases



# Restricted and Unauthorized Purchases (continued)



- **AFTER THE FACT BUYS:**
  - Procuring goods and services **AFTER** the goods have been received or the services have been performed.
  - **EXAMPLE:** receiving goods and then ordering them, ordering services **AFTER** they have been performed.
  - Someone other than the CH placing an order or service and then come to you to purchase.
  - Receiving a invoice after the work has been performed and prior to the procurement for the work.



# Restricted and Unauthorized Purchases (continued)



- **SPLIT PURCHASES:**

- Separating a known requirement that exceeds a CH's single purchase limit or threshold into two or more buys as a means of getting around the CH's purchase limit.
- CH splits a known requirement at the time of the purchase into several transactions to avoid competitive bids for purchases over the micro-purchase threshold.
- If the purpose of purchasing items more than once, is to get the order under the \$3,000 limit.
- When the purchase exceeds the micro-purchase threshold, it must be purchased through a contract using Simplified Acquisition Procedures.
- No CH may split purchases that exceed the CH's limit or threshold as a means to use the purchase card.



# Restricted and Unauthorized Purchases (continued)



- SPLIT PURCHASES (cont)
- To perform a split purchase is a VIOLATION of Federal Procurement Law:
  - 41 U.S.C. 427(b) and FAR 13.003(c)



# Restricted and Unauthorized Purchases (continued)



- 41 U.S.C 427(b)
  - (b) Prohibition on dividing purchases - a proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified acquisition procedures required by subsection (a) of this section.
  - (c) Promotion of competition required - in using simplified acquisition procedures, the head of an executive agency shall promote competition to the maximum extent practicable.



# Restricted and Unauthorized Purchases (continued)



- FAR 13.003(c)
  - **FAR in PART 13:**
  - (1) *The contracting officer shall not use simplified acquisition procedures to acquire supplies and services if the anticipated award will exceed-*
    - (i) *The simplified acquisition threshold; or*
    - (ii) *\$5.5 million (\$11 million for acquisitions as described in 13.500(e)), including options, for acquisitions of commercial items using Subpart 13.5.*
  - (2) *Do not break down requirements aggregating more than the simplified acquisition threshold (or for commercial items, the threshold in Subpart 13.5) or the micro-purchase threshold into several purchases that are less than the applicable threshold merely to-*
    - (i) *Permit use of simplified acquisition procedures; or*
    - (ii) *Avoid any requirement that applies to purchases exceeding the micro-purchase threshold.*



# Restricted and Unauthorized Purchases (continued)



- Exceeding Authority
  - Delegation of Contract Authority.
    - Comes from COD in the form of a written Letter of Delegation
  - Making purchases NOT AUTHORIZED in your Delegation of Authority memorandum.
  - Exceeding your credit limits.
  - Purchasing items not authorized.
- Repetitive Purchases
  - Making repetitive purchases to meet requirements that, in total greatly exceed the micro purchase threshold.
  - Similar to Split Purchases.
  - More appropriate method is Blanket Purchase Agreement (BPA).



# Restricted and Unauthorized Purchases (continued)



- Repetitive Purchases (cont)
  - **13.303 Blanket Purchase Agreements (BPAs).**
  - **13.303-1 General.**
    - (a) A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply (see Subpart 16.7 for additional coverage of agreements).
    - (b) BPAs should be established for use by an organization responsible for providing supplies for its own operations or for other offices, installations, projects, or functions. Such organizations, for example, may be organized supply points, separate independent or detached field parties, or one-person posts or activities.
    - (c) The use of BPAs does not exempt an agency from the responsibility for keeping obligations and expenditures within available funds.



# Restricted and Unauthorized Purchases (continued)



- Repetitive Purchases (cont)
  - Interpreter Services
  - Court Reporter Services
  - Telecommunication Services
  - Computer and Related Equipment



# Restricted and Unauthorized Purchases (continued)



- Advance purchases
- Food
- Personal purchases
- Bottled water services
- Postage
- Trophies
- Cash advances
- Travel related purchases
- Leased vehicles, land or buildings
- Headsets
- Organization day items
- Explosives, munitions, firearms, toxins
- Classified & sensitive items
- Business cards
- Purchase from Government employees
- Shredders
- Ergonomic and low vision equipment



# Restricted and Unauthorized Purchases (continued)



- Purchase of aviation, diesel, gasoline fuel, or oil for aircraft or vehicles
- Purchase of construction material or services greater than \$2,500
- MWR peculiar items, clothing, athletic shoes, equipment, etc.
- Bioenvironmental
- Janitorial, yard, repair and maintenance services
- Printing Services (use DAP)
- Lease/rental of equipment
- 3<sup>rd</sup> party payments
- Telecom and wireless services
- Medical items other than first aid kits
- Hazardous material & equipment (respirators, chemical gloves)
- Membership fees for professional associations (NCMA, BIG, etc.)
- Conference meeting rooms and deposits



# Printing Services



- Statutory and regulatory restrictions govern commercial procurement of printing services.
  - Printing services SHALL be procured from Defense Automation and Production Services (DAPS) with purchase card as “Method of Payment”.



# Purchases Requiring Coordination



- Real Property Installed Equipment
  - Pernell Hunter, 703-681-8707
- Potentially Hazardous Materials (solvents, pesticides, acetone, benzol, poisons)
  - Jeremy Williams, 703-681-8707
- Heaters, Stoves, etc.
  - Jeremy Williams 703-681-8707
- Computer, Software, Communication, Audio Visual Equipment, Repair, Services
  - Robert Piston, 703-681-1143



# Stolen or Lost Purchase Cards



- Reported immediately to U.S. Bank @ 888-994-6722.
  - Notify BO within one (1) working day of discovery.
  - File Police Report if stolen.
- BO shall prepare and submit incident report to APC with five (5) working days.
  - Incident report should include the following:
    - CH Name and Number
    - Managing Account Number
    - Date/Location of loss
    - If Stolen, date Police was notified
    - Date and time US Bank was notified
    - ALL information on loss
    - Purchases made
- **FAILURE TO SUBMIT INCIDENT REPORT WILL RESULT IN SUSPENSION OF THE ACCOUNT.**



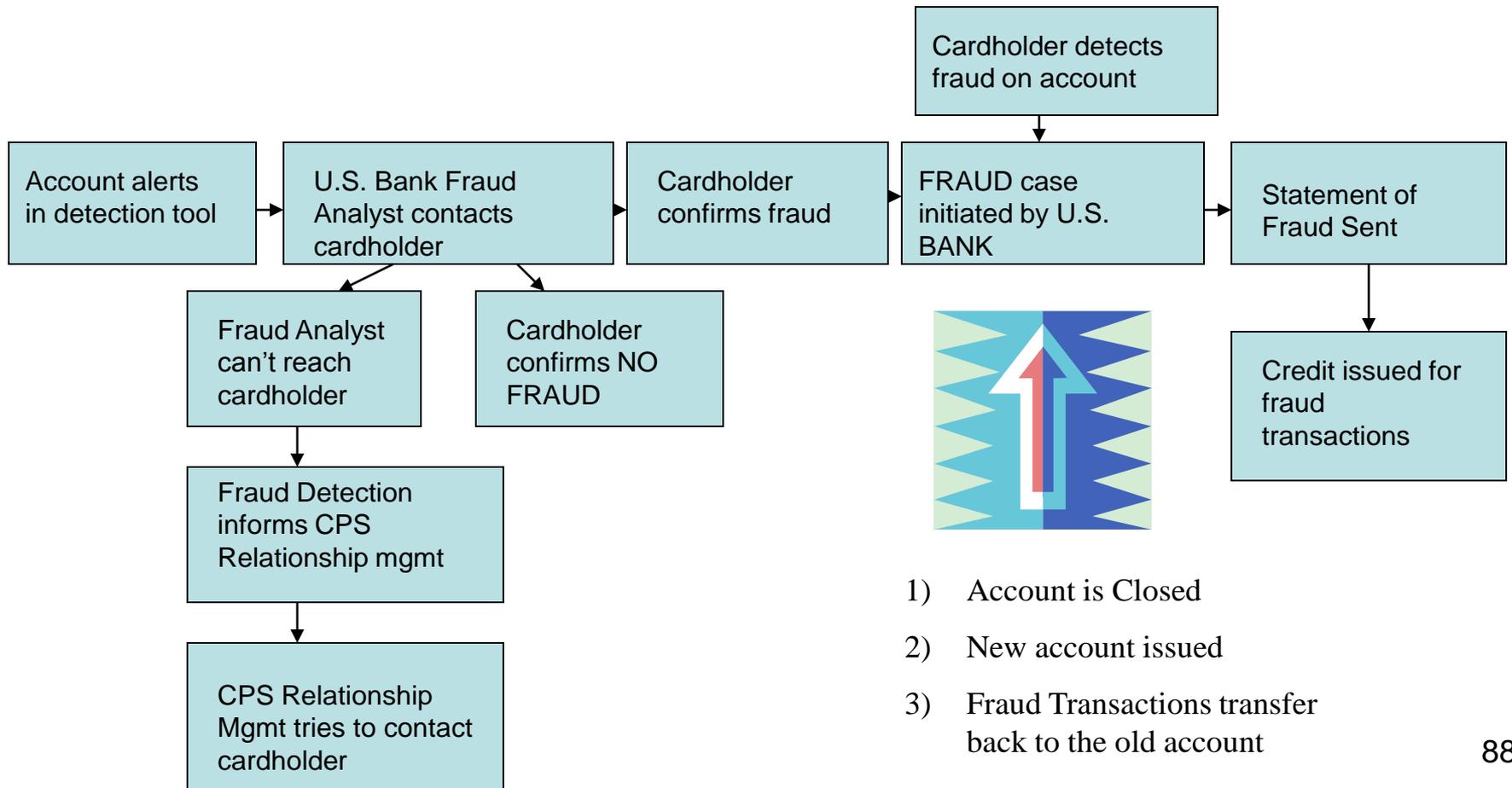
# Fraud or Abuse



- Fraudulent charges are considered an unauthorized use of the purchase card by a person other than the CH.
- It is the responsibility of all employees of the government to safeguard and utilize funds to the fullest extent.
- Examples:
  - Repetitive buys to same vendor
  - Someone else uses the card
  - Payments made and no item received
  - Excess amounts of store credits
- Report suspected purchase card abuses or fraud to your:
  - BO
  - Agency Program Coordinator
  - TMA/COD, Ms. Birgit Tilley
  - DoD Hotline @ 1-800-424-9098



# Fraud or Compromised Card U.S. Bank



- 1) Account is Closed
- 2) New account issued
- 3) Fraud Transactions transfer back to the old account



# Account Rejections



- Account Rejection:
  - Transactions declined by U.S. Bank?
  - Vendor may ask for another form of ID?
  - Account Suspended/Closed.
  - Incorrect Merchant Category Code Identified.
  - Exceeding Purchase Limits.
- What you should do?
  - CALL U.S. BANK customer service 1-888-994-6722.



# Rebates



- Billing Statements paid within 30 days = Money earned for your agency.
- Rebates will display as a credit to CH accounts on a quarterly basis.
- Credits are calculated by U.S. Bank based on sales volume and payment timeliness.
- Based on:
  - Speed of Processing the Payment
  - Starting Quarterly Balance
  - Buy Patterns
  - Purchase Volume



# Departure of Employee



- Bank cards are issued to individual employees.
- CH departs:
  - Completion of the Certificate of Destruction Form (by BO and a Witness).
  - Card is destroyed by both the CH and BO in front of a witness.
  - BO forwards Certificate of Destruction Form with the cut-up bank card.
  - BO must ensure all outstanding charges have cleared before account can be closed.



# Departure of Employee

(continued)



- BO (and ABO):
  - APC must be notified ASAP before departure (30 days preferred).
  - Submit written request for appointment of replacement.
    - Training needs to be completed prior to appointment



# File Maintenance and Retention



- **BO FILE:**
  - Copy of memorandum for BO/CH setup
  - CH Delegation Letters
  - BO and ABO Appointment Letters
  - Internal Controls
  - Past review documents
  - Monthly statements, transaction log, original receipts and invoices must be retained for 6 years 3 months
  - Maintain justification for purchase and approval letters for 6 years and 3 months
  - File will be maintained from October to September (same as FY). After September statement has been certified, remove statement, transaction log, original receipts and invoices. Retain in a separate file from the official file
  - Retain the separate files as a whole for the 6 years and 3 months



# File Maintenance and Retention (continued)



- ABO FILE:
  - ABOs Appointment Letter
  - ABOs Training Records
  - Internal Controls
  - If acting on behalf of the BO (Certifying BO Statement, should be filed with the BO file)



# File Maintenance and Retention (continued)



- CH FILE:
  - Delegation Letter
  - CH training records
  - Internal controls
  - Copies of past review documents
  - Copy of monthly statements, transaction log, receipts and invoices must be retained for 6 years 3 months
  - Copies to maintain justification for purchase and approval letters for 6 years and 3 months
  - File will be maintained from October to September (same as FY). After September statement has been certified, remove statement, transaction log, original receipts and invoices. Retain in a separate file from the official file
  - Retain the separate files as a whole for the 6 years and 3 months



# Surveillance



- This is a shared responsibility between all individuals (RM, PBP, APC, Local Audits and Oversight Organizations) involved with the program to ensure that the purchase card is used in the proper manner and only authorized and necessary official purchases are made.



# Surveillance

(continued)



- APC:
  - APC will perform annual surveillance on all GPC accounts (BO and each CH).
  - APC will perform quarterly review on convenience checks (COD has none at this time).
  - APC can perform surveillance announced or unannounced at any time with on any BO/CH account.



# Surveillance

(continued)



- **Mandatory Sources:**
  - If a mandatory source can provide the good or service, **YOU MUST MAKE THE BUY THERE:**
    - Document the file anytime you did not buy from a mandatory source
  - Legitimate Government Need:
    - Written and in sufficient detail
  - Training Certificates missing/overdue:
    - Provide copies to BO and APC
  - Excessive Credit Limits:
    - CH's monthly limits need to be the minimum necessary to accomplish the mission
    - General Rules
      - \$3K SPL and \$10K MPL are acceptable
      - For higher limits, CH must use at least 75% of the MPL at least once each three to six months
      - Review and adjust as necessary, at least annually
  - Late Payment:
    - BO must certify the statement in AXOL NLT 5 business days after the end of the cycle



# Surveillance

(continued)



- ANNUAL Review:
  - Will receive a e-mail with a 2-4 week notice
  - Meet with BO for in briefing on 1<sup>st</sup> day of surveillance
  - Review BO and CH records
  - Meet with BO for out briefing on final day of surveillance
  - Prepare and provide Formal Report (provide within 30 days)
  - Distribute report to BO and BO Supervisor, with corrective action (if any) and file in APC BO and CH files
  - BO review period and provide a response to review (within 30 days)
  - Review BOs Corrective Action Plan (CAP) review by COD (within 2 weeks)
  - CAP approved, maintain report for 6 years, 3 months



# Liabilities and Penalties



- Pecuniary Liability – 31 U.S.C 3528.
- Civil Liability – 31 U.S.C. 3729.
- Criminal Liability – 18 U.S.C. 287 and UCMJ.
- Disciplinary/Administrative Actions:
  - Counseling
  - Notation in performance evaluation
  - Reprimand
  - Suspension or Termination
  - Criminal Prosecution
  - CH/BO may be liable to repay unauthorized purchases



# Final Thought



- WHEN IN DOUBT, REQUEST ADVICE FROM COD BEFORE YOU MAKE THE PURCHASE.



# Questions

